

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3249-01
Bill No.: HB 1157
Subject: Bases funding for nutritional services programs of the Division of Aging on the actual number of meals served in each area the fiscal previous year.
Type: Original
Date: January 8, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DOH)** assume that there would be no significant fiscal impact to implement the proposed legislation. Implementation would necessitate development of a separate funding distribution methodology and procedure from the mandated funding formula for distribution for the Federal Older Americans Act home-delivered meals funds. This could be accomplished utilizing existing staff.

The DOH also stated that changing the method used to distribute state funds for nutrition services and home-delivered meals for the elderly to the area agencies on aging (AAAs) would affect the three (3) AAAs which are a part of a local governmental entity: Mid America Regional Council (a Regional Planning Commission), St. Louis Area Agency on Aging (part of the city of St. Louis) and the Region X Area Agency on Aging (a Cooperative of County Governments). There would be an indeterminate fiscal impact to these AAAs as a result of the possible redistribution of funds annually based on the previous fiscal year's meals served.

In its report, Program Evaluation: Area Agencies on Aging Congregate and Home-Delivered Meal Program, December 2000, **Oversight** reported on the differences in per-meal funding to the ten Missouri AAAs. Currently, the state funding for these two meal programs is allocated to the AAAs based upon the population of elderly residents within the service area only, and does not take into consideration the actual number of meals served. The ten AAAs in Missouri are locally controlled and operated organizations which may be part of local government, regional Councils of Government, or independent nonprofit organizations.

Oversight assumes this proposal would allow state funds, appropriated to the Department of Health and Senior Services for congregate and home-delivered meals at the ten AAAs in Missouri, to be allocated on a new basis. Oversight assumes this would not increase or decrease the amount of state funding into the program. It would, however, allocate meal appropriations to the ten AAAs in Missouri on the actual number of meals served by the AAA in the previous year, instead of the current allocation method based solely on population totals within the AAA area. This would cause some AAAs to receive more funding in the future budget years, and some AAAs to receive less funding in future budget years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

Area Agencies on Aging *

\$0

\$0

\$0

*** A change in the allocation basis for meal programs, would result in some AAAs receiving more funding and some AAAs receiving less funding in the future fiscal years, but would result in a net \$0 effect.**

FISCAL IMPACT - Small Business

Non-profit Area Agencies on Aging (AAAs) could be positively or negatively impacted by the proposed legislation. The fiscal impact to these AAAs is unknown.

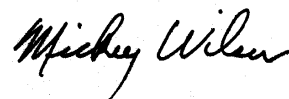
DESCRIPTION

Currently, funds appropriated for providing nutrition services and home-delivered meals for the elderly are allocated to the Division of Aging and distributed to area agencies on aging based on a formula. This bill removes the formula-based distribution method and changes the distribution method for these funds to an allocation based on the actual number of meals served in each area during the previous fiscal year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services



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